



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0355	Title:	Facilitate community connection to internet
Primary Sponsor:	Moss, Lynda	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund				
Federal Special Revenue		-----Unable to Determine-----		
Revenue:				
General Fund				
Federal Special Revenue		-----Unable to Determine-----		
Net Impact-General Fund Balance:	=====	=====	=====	=====

Description of fiscal impact: SB 355 creates the Montana Municipal Wireless Internet Connectivity Grant Program in the Department of Commerce to provide funding for local governments that propose public-private partnerships for the purposes of providing wireless internet access.

FISCAL ANALYSIS

Assumptions:

Department of Commerce (DOC):

- Section 3 of the bill requires the Department of Commerce to create a grant program for communities to establish wireless networks. The department would design a competitive grant application process that identifies qualified local governments in one of the following tiers: A tier one recipient receives \$3 from the state for every \$1 that it raises for wireless internet connectivity and is in a geographical area that meets the criteria for an empowerment zone, as provided in 7-21-3704, MCA. A tier two recipient receives \$1 from the state for every \$1 that it raises for wireless internet connectivity.
- Section 4 of the bill provides for funding preferences in awards. If the funding in any year is less than the total amount for which grant applicants apply, the department would provide preference to the applicants

that, according to assessment criteria, propose the most viable wireless internet connectivity plan for serving the greatest public good.

3. The American Recovery and Reinvestment Act of 2009 (the Federal Stimulus) may provide significant, and perhaps all, of the funds needed to create this program under the National Telecommunications and Information Administration that would help the development of wireless and broadband services in unserved and underserved areas in Montana. At the present time, Congress is working on finalizing the Federal Stimulus bill, and until the Congressional legislation is enacted and rules are promulgated, it is extremely difficult to quantify the amount of federal funds, if any, that may be available to help fund this program.
4. For the purposes of this fiscal note, if \$2,000,000 were available from the Federal Stimulus and based on Department of Commerce experience in administering federal and state grants to communities, it would require 2.00 FTE to administer the proposed program. The estimated personal services costs for FY 2010 and FY 2011 are \$116,568. Program activities would include drafting grant application criteria, reviewing grant applications under the prescribed competitive ranking criteria, recommending grant awards, preparing grant contracts, assuring proper expenditure of grant funds by approving progress payments, onsite monitoring of funded projects, and approximately \$20,000 annually for wireless internet connectivity consulting services. The estimated operating costs are \$57,046 for FY 2010 and \$50,473 for FY 2011. These costs are provided for information only. Once a Federal Stimulus allocation is available, an actual estimate could be developed.
5. Due to the one-time nature of the federal stimulus money, it is assumed the funding would not be available for the 2013 biennium. If Federal Stimulus funds do not become available for this new program, it is assumed that funding would need to be covered by the general fund.

Sponsor's Initials

Date

Budget Director's Initials

Date